

§ 159C-4. Creation of authorities.

(a) The governing body of any county is hereby authorized to create by resolution a political subdivision and body corporate and politic of the State known as "The (the blank space to be filled in with the name of the county) County Industrial Facilities and Pollution Control Financing Authority," which shall consist of a board of seven commissioners, to be appointed by the governing body of such county in the resolution creating such authority, or by subsequent resolution. At least 30 days prior to the adoption of such resolution, the governing body of such county shall file with the Department of Commerce and the Local Government Commission of the State notice of its intention to adopt a resolution creating an authority. At the time of the appointment of the first board of commissioners the governing body of the county shall appoint two commissioners for initial terms of two years each, two commissioners for initial terms of four years each and three commissioners for initial terms of six years each and thereafter the terms of all commissioners shall be six years, except appointments to fill vacancies which shall be for the unexpired terms. Each appointed commissioner before entering upon his duties shall take and subscribe to an oath before some person authorized by law to administer oaths to execute the duties of his office faithfully and impartially, and a record of each such oath shall be filed with the governing body of the county and entered in its minutes. All authority commissioners will serve at the pleasure of the governing body of the county. If at the end of any term of office of any commissioner a successor thereto shall not have been appointed, then the commissioner whose term of office shall have expired shall continue to hold office until his successor shall be so appointed and qualified.

(b) Each commissioner of an authority shall be a qualified elector and resident of the county for which the authority is created, and no

THE BOARD OF COMMISSIONERS
FOR
THE COUNTY OF BRUNSWICK, NORTH CAROLINA

Creation of Authority

The Board of Commissioners for the County of Brunswick, North Carolina, met in regular session at the Hood Building, in Southport, North Carolina, the regular place of meeting, at 10 o'clock A.M., September 7, 1976 (September 6, the first Monday of the month, being a legal holiday in Brunswick County).

Present: Chairman Steve Varnam presiding, and
Commissioners Willie E. Sloan, Franky Thomas and W. T. Russ, Jr.

Absent: Ira D. Butler, Jr.

* * * * *

Commissioner W. T. Russ, Jr. introduced the following resolution which was read:

RESOLUTION CREATING THE BRUNSWICK COUNTY
INDUSTRIAL FACILITIES AND POLLUTION CONTROL
FINANCING AUTHORITY

BE IT RESOLVED by the Board of Commissioners for
the County of Brunswick:

Section 1. The Board of Commissioners has determined
and does hereby declare:

(a) That under and pursuant to the provisions of Chapter 159C of the General Statutes of North Carolina (the "Act") and particularly Section 159C-4 thereof, the Board of Commissioners has filed with the Department of Natural and Economic Resources of the State of North Carolina and the Local Government Commission of North Carolina, and each has received,

at least 30 days ago, notice of its intention to create, in accordance with the provisions of the Act, "The Brunswick County Industrial Facilities and Pollution Control Financing Authority" (the "Authority").

(b) That the purposes for which the Authority is to be formed are as follows: (1) to aid in the financing of industrial and manufacturing facilities for the purpose of alleviating unemployment or raising below average manufacturing wages by financing industrial and manufacturing facilities which provide job opportunities or pay better wages than those prevalent in the area, but only where there is a direct or indirect favorable impact on employment commensurate with the size and cost of the facilities, (ii) to aid in financing pollution control facilities for industry in connection with manufacturing and industrial facilities and for public utilities, but only where there is an improvement in the degree of prevention or control of pollution commensurate with the size and cost of the facilities, and (iii) to conduct any and all other activities as shall from time to time be found to be appropriate in connection with the foregoing and as are lawful under the Act, as the same may be from time to time amended.

Section 2. There is hereby authorized and created under and pursuant to the Act a political subdivision and body corporate and politic of the State of North Carolina known as "The Brunswick County Industrial Facilities and Pollution Control Financing Authority".

Section 3. In furtherance of the foregoing purposes, the Authority shall have all powers granted by the Act, as the same may be from time to time amended, and such other powers as

are now, or hereafter may be, conferred by law upon an authority created for the purposes hereinabove set forth or necessary or incidental to the powers so conferred, or conducive to the furtherance thereof.

Section 4. The names, addresses and terms of office of the first members of the Board of Commissioners of the Authority shall be named at the next regular meeting of the Brunswick County Board of Commissioners.

Each of the named Commissioners shall be a qualified elector and resident of Brunswick County, and each shall continue in office for the term expiring on the date set opposite his name upon appointment or until his successor shall be duly appointed and qualified. Each of the named Commissioners and their successors will serve at the pleasure of the Board of Commissioners for the County of Brunswick and may be removed, with or without cause, by the Board of Commissioners for the County of Brunswick.

None of the named Commissioners shall be an officer or employee of the State of North Carolina or any political subdivision thereof or of any agency of either.

Section 5. Each of the Commissioners appointed, before entering upon his duties, shall take and subscribe to an oath to execute the duties of his office faithfully and impartially, and a record of each such oath shall be filed with the Board of Commissioners for the County of Brunswick and entered upon the minutes of the next regular meeting.

Section 6. All legal matters and proceedings for the Authority shall be conducted under the supervision and direction of the County Attorney for Brunswick County.

Section 7. Upon designation of members, the Clerk of the Board of Commissioners of Brunswick County is hereby directed

to deliver a certified copy of this resolution to each Commissioner of the Authority and to fix a time and place for a first and organizational meeting of the Commissioners of the Authority, not later than twenty calendar days from the date of their designation for the purpose of (i) administering oaths to the Commissioners of the Authority appointed, (ii) forming the Authority, (iii) electing officers for the Authority, which must include a chairman, vice-chairman, treasurer, secretary, and assistant secretary, (iv) adopting bylaws, and (v) authorizing the secretary or assistant secretary of the Authority to send notice of creation of the Authority to the Department of Natural and Economic Resources of the State of North Carolina and the Local Government Commission of North Carolina pursuant to Section 159C-4(f) of the Act.

Section 8. This resolution shall take effect immediately upon its passage.

Commissioner W. T. Russ moved the passage of the foregoing resolution entitled: "RESOLUTION CREATING THE BRUNSWICK COUNTY INDUSTRIAL FACILITIES AND POLLUTION CONTROL FINANCING AUTHORITY" and Commissioner Franky Thomas seconded the motion, and the resolution was passed by the following vote:

Ayes: Commissioners Steve J. Varnam, W. T. Russ, Jr.
Franky Thomas, Willie E. Sloan

Noes: None

* * * * *

I, Judy Holden, Clerk to the Board of Commissioners for the County of Brunswick, North Carolina, DO HEREBY CERTIFY that the foregoing is a true and complete copy of so much of the proceedings of the Board of Commissioners for said County at a meeting held September 7, 1976, as relates in any way to the resolution hereinabove set forth, and that said proceedings are recorded in Minute Book No. 6 of the minutes of said Board, beginning at page 885 and ending at page 888.

WITNESS my hand and the common seal of said County, this _____ day of September, 1976.

Clerk to the Board of Commissioners

SEAL

BYLAWS OF
THE BRUNSWICK COUNTY INDUSTRIAL FACILITIES
AND POLLUTION CONTROL FINANCING AUTHORITY
(AS AMENDED, JUNE 30, 1981)

ARTICLE I

OFFICES

1. The principal office of the Authority shall be in the offices of the Resources Development Commission for Brunswick County at Bolivia, North Carolina, at such particular place as shall be fixed from time to time by resolution of the Authority.

2. The permanent mailing address for purposes of all notices and correspondence is Post Office Box 158, Bolivia, North Carolina 28422.

3. Except as otherwise required by resolution of the Authority, or as the business of the Authority may require, all of the books and records of the Authority shall be kept at the office to be designated as hereinabove provided.

ARTICLE II

MEETINGS OF THE AUTHORITY

1. Meetings of the Authority may be called by the Chairman, or in his absence from the State of North Carolina or incapacity, by the Vice Chairman, for such time and at such place in the State of North Carolina as may be specified in the call, upon twenty-four hours' written notice. Meetings of the Authority may be held at any time without notice, provided all members of the Authority are present or those not present have waived notice thereof. Such meetings may be held at such times and places as the notice thereof or waiver may specify. Any business of the Authority may be considered and acted upon at any such meeting.

2. At all meetings of the Authority the following order of business shall be observed, as far as consistent with the purpose of the meeting:

- i. Reading and approval of the minutes of the preceding meeting.
- ii. Reports of officers.
- iii. Reports of committees.
- iv. Unfinished business.
- v. New business.

3. The vote on the adoption of every resolution shall be by ayes and noes, and the names of the members voting for and against the resolution shall be entered upon the minutes of the meeting.

ARTICLE III

OFFICERS

1. The officers of the Authority shall be a Chairman, a Vice Chairman, a Treasurer, a Secretary and an Assistant Secretary. The Chairman, Vice Chairman, Treasurer, Secretary and Assistant Secretary shall hold such offices until November 3 of the following year and until the election of their successors.

2. The Chairman shall be the chief executive officer of the Authority and shall preside at all meetings of the Authority. Unless some other person is thereunto specifically authorized by vote of the Authority, the Chairman shall sign all contracts and other instruments to be executed on behalf of the Authority. He shall perform all the duties commonly incident to his office, and shall perform such other duties and have such other powers as the Authority may from time to time designate.

3. The Vice Chairman shall perform the duties and have the powers of the Chairman during the absence or incapacity of the Chairman. He shall then perform all the duties commonly incident to the office of Chairman, and shall perform such other duties and have such other powers as the Authority may from time to time designate.

4. Subject to the provisions of any trust agreement or resolution securing revenue bonds of the Authority, the Treasurer shall have the care and custody of the funds of the Authority and shall have and exercise, under the supervision of the Authority, all the powers and duties commonly incident to the office of Treasurer.

5. The Secretary shall attend all meetings of the Authority and act as secretary or clerk thereof; he shall record all votes and keep accurate records of all proceedings at such meetings in a minute book to be kept for that purpose, which shall be open at all reasonable times to the inspection of any member. The Secretary shall cause notice to be given of all meetings of the Authority as required by law or by these Bylaws; he shall keep in safe custody the official seal of the Authority and cause said official seal to be affixed to all papers authorized to be executed by the Authority requiring such seal to be affixed. He shall have authority

to cause copies to be made of all minutes and other records and documents of the Authority and to give certificates under the official seal of the Authority to the effect that such copies are true copies, and all persons dealing with the Authority may rely upon such certificates.

He shall perform all the duties commonly incident to the office of Secretary or Clerk and shall perform such other duties and have such other powers as the Authority from time to time may designate.

6. The Assistant Secretary shall perform the duties and have the powers of the Secretary during the absence or incapacity of the Secretary. He shall then perform all the duties commonly incident to the office of Secretary, and shall perform such other duties and have such other powers as the Authority may from time to time designate.

7. In addition to the officers above-mentioned, the Authority may provide for such deputies, assistants and other officers as it may deem necessary from time to time, who shall perform such duties and have such powers as the Authority may designate.

8. All legal matters and proceedings for the Authority shall be conducted under the supervision and direction of the County Attorney for Brunswick County.

ARTICLE IV

OFFICIAL SEAL

The official seal of the Authority shall consist of the embossed impression of a circular metallic disc containing the words "THE BRUNSWICK COUNTY INDUSTRIAL FACILITIES AND POLLUTION CONTROL FINANCING AUTHORITY, N.C.", and the Secretary shall secure such seal and cause an impression thereof to be made on the margin of the minutes containing this Article.

ARTICLE V

NET EARNINGS

Any net earnings of the Authority (beyond that necessary for retirement of the revenue bonds of the Authority) may not inure to the benefit of any other person than the Authority.

ARTICLE VI

AMENDMENTS

Except as otherwise provided by law, these Bylaws may be amended, added to, altered or repealed in whole or in part by the Authority at any meeting of the Authority, provided that notice of the proposed amendment, addition, alteration or repeal is given in the notice of such meeting, or that all members of the Authority are present at such meeting.

BRUNSWICK
C O U N T Y
E C O N O M I C
D E V E L O P M E N T
C O M M I S S I O N

MEMORANDUM

TO: County Manager
Clerk to Commissioners

FROM: Thomas A. Monks, CED, Executive Director *Tom*

SUBJECT: Brunswick County Industrial Facilities and
Pollution Control Financing Authority Board.

DATE: January 12, 1995

After more research and checking out General Statute Chapter 159C I now believe we have the information to correct the membership of the above board. A summary of the present Board follows:

<u>Name</u>	<u>District</u>	<u>Term</u>	<u>Expiration</u>
Warren	1	10 years	10/18/97
Norris	1	6 years	10/18/96
Leonard	2	9 years	10/99
Hughes/Puckett	3	3 years	10/11/97
Foster	3	5 years	10/11/97
Williams	4	3 years	12/1/94
Guyton	5	7 years	10/11/96

Since Ms. Puckett was put on the Authority in November 1994 she would have to replace Mr. Hughes as Mr. Williams' term did not expire until December 1994.

Enclosed is a copy of G.S. 159C-4 which clearly indicates that ultimately all members should be on six year terms.

I would like to recommend that eventually all terms be six years and that each district have one seat on the board and two seats be at-large. To achieve this you should change the terms as follows:

MEMORANDUM

January 12, 1995

Page 2

Name	District	Expiration	Temporary Term	Permanent Term
Warren	1	1997	7 yrs - 2004	6 yrs - 2010
Leonard	2	1999	5 yrs - 2004	6 yrs - 2010
Foster	3	1997	7 yrs - 2004	6 yrs - 2010
Williams	4	2000	6 yrs - 2006	6 yrs - 2012
Guyton	5	1996	6 yrs - 2002	6 yrs - 2008
Puckett	at-large	2000	6 yrs - 2006	6 yrs - 2012
Norris	at-large	1996	6 yrs - 2002	6 yrs - 2008

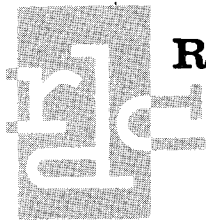
By reorganizing via the above method we will have even terms but eventually we will be in conformance with G.S. Chapter 159C-4. Please note that action to be taken now consists of:

1. Change Ms. Puckett's term to six .
2. Williams reappointment or replacement be for a six year term.
3. Mr. Norris and Ms. Puckett be established as at-large appointments.

Please let me have your comments!

enclosure

TAM/ksc



RESOURCES DEVELOPMENT COMMISSION FOR BRUNSWICK COUNTY

BRUNSWICK COUNTY
GOVERNMENT CENTER
TELEPHONE (919) 253-4429
POST OFFICE BOX 158
BOLIVIA, NORTH CAROLINA 28422

February 23, 1981

Mr. William D. Carter
Brunswick County Manager
P O Box 249
Bolivia, NC 28422

RECEIVED

FEB 24 1981

BRUNSWICK CO

Dear Mr. Carter:

The Brunswick County Industrial Facilities and Pollution Control Financing Authority was created by a resolution adopted by the Brunswick County Board of Commissioners on September 7, 1976. This organization represents a commitment which is designed to provide citizens of Brunswick County with better economic opportunities and to offer investors an excellent environment in which to build, expand and to succeed in addition to financing qualified pollution abatement projects.

In March 1976, the citizens of North Carolina voted to alter the State Constitution so that an Industrial Revenue Bond Program could be offered. For reference purposes the ratified Bill can be found in chapter 719, House Bill 1153.

On November 3, 1976, the seven-member Board of Commissioners for the Authority were duly appointed by the Brunswick County Board of Commissioners. The first and only bond issuance which the Authority has administered was to the Burke-Parsons-Bowlby Corporation of Ripley, West Virginia, in the amount of \$2 million on September 27, 1978.

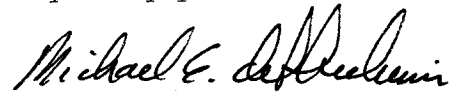
Each prospective bond issue is subject to approval by the local Authority, the Industrial Financing section of the NC Department of Commerce, the Local Government Commission, and the County Board of Commissioners, as well as any agency which may be charged with the duties of upholding environmental considerations.

The Secretary of the Department of Commerce is the statutory officer for this program, while his department acts as the coordinating agency for all such projects.

Mr. William D. Carter
2-23-81
(2)

Chapter 159C-1 through 159C-27 and the previously adopted by-laws of the Authority are enclosed for your information. If I can provide further assistance, please contact me.

Very truly yours,

A handwritten signature in cursive script, reading "Michael E. de Sherbinin".

Michael E. de Sherbinin
Director

MEdeS:epw

Encls.

When the North Carolina Revenue Bond Program was established in 1975, the Division of Economic Development was a part of the Department of Natural and Economic Resources and the Secretary of that Department was designated as the statutory officer for approving and implementing bond issues.

In 1977, the Division of Economic Development was transferred to the Department of Commerce. Legislation providing for the transfer of the responsibility for coordinating, promoting and implementing the Revenue Bond Program to the Department of Commerce, was also enacted in 1977.

The Secretary of the Department of Commerce is now the statutory officer for this program. However, before the Secretary may issue bond approval he must receive a project certification relating to environmental considerations from the Secretary of the Department of Natural Resources and Community Development.

The Department of Commerce is the coordinating agency for this program and all applications must be initiated with this Department.

The original act of 1975 and the amendments enacted in 1977 are shown in the following pages.

GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 1975 RATIFIED BILL

Chapter 826 House Bill 1033

AN ACT TO AMEND ARTICLE V OF THE CONSTITUTION OF NORTH CAROLINA TO AUTHORIZE THE GENERAL ASSEMBLY TO AUTHORIZE COUNTIES TO CREATE AUTHORITIES TO ISSUE REVENUE BONDS TO FINANCE INDUSTRIAL AND POLLUTION CONTROL PROJECTS FOR INDUSTRY AND POLLUTION CONTROL PROJECTS FOR PUBLIC UTILITIES, SUBJECT TO THE APPROVAL OF THE ELECTORATE.

The General Assembly of North Carolina enacts:

Section 1. Article V of the Constitution of North Carolina is hereby amended by adding a new section to be designated Section 8 and to read as follows:

"Sec. 8. Capital projects for industry. Notwithstanding any other provision of this Constitution, the General Assembly may enact general laws to authorize counties to create authorities to issue revenue bonds to finance, but not to refinance, the cost of capital projects consisting of industrial, manufacturing and pollution control facilities for industry and pollution control facilities for public utilities, and to refund such bonds.

In no event shall such revenue bonds be secured by or payable from any public moneys whatsoever, but such revenue bonds shall be secured by and payable only from revenues or property derived from private parties. All such capital projects and all transactions therefore shall be subject to taxation to the extent such projects and transactions would be subject to taxation if no public body were involved therewith; provided, however, that the General Assembly may provide that the interest on such revenue bonds shall be exempt from income taxes within the State.

The power of eminent domain shall not be exercised to provide any property for any such capital project."

Sec. 2. The Constitutional amendment set forth in Section 1 shall be submitted to the qualified voters of the State at the next State primary, general, or other statewide election for their ratification or rejection. Notice of the submission of the Constitutional amendment to the voters at such election shall be given by publication at least twice in a newspaper published in each county in the State or having a general circulation therein. The State shall reimburse the counties of the State for all necessary expenses incurred in hold-

ing said special election and registration therefore, the same to be paid out of the Contingency and Emergency Fund, unless the payment of such expenses is otherwise expressly provided for. At such election the State Board of Elections shall cause to be printed the following:

"FOR Constitutional amendment to permit the General Assembly to enact general laws to authorize counties to create authorities to issue revenue bonds to finance, but not to refinance, the cost of capital projects consisting of industrial, manufacturing and pollution control facilities for industry and pollution control facilities for public utilities, and to refund such bonds, such bonds to be secured by and payable only from revenues or property derived from private parties and in no event to be secured by or payable from any public moneys whatsoever. AGAINST Constitutional amendment to permit the General Assembly to enact general laws to authorize counties to create authorities to issue revenue bonds to finance, but not to refinance, the cost of capital projects consisting of industrial, manufacturing and pollution control facilities for industry and pollution control facilities for public utilities, and to refund such bonds, such bonds to be secured by and payable only from revenues or property derived from private parties and in no event to be secured by or payable from any public moneys whatsoever."

Those qualified voters favoring the amendment shall vote by making an "X" or a check mark in the square beside the statement beginning "FOR", and those qualified voters opposed to the amendment shall vote by making an "X" or a check mark in the square beside the statement beginning "AGAINST".

Notwithstanding the foregoing provisions of this section, voting machines may be used in accordance with rules and regulations prescribed by the State Board of Elections.

Sec. 3. If a majority of votes cast thereon are in favor of the amendment, the State Board of Elections shall certify the amendment to the Secretary of State, who shall enroll the amendment so certified among the permanent records of his office, and the amendment shall become effective upon such certification.

Sec. 4. All laws and clauses of laws in conflict with this act are repealed.

Sec. 5. This act shall become effective upon ratification.

In the General Assembly read three times and ratified, this the 25th day of June, 1975.

Chapter 800 House Bill 1034

AN ACT AUTHORIZING THE CREATION IN COUNTIES OF INDUSTRIAL AND POLLUTION CONTROL FACILITIES FINANCING AUTHORITIES AND THE ISSUANCE THEREBY OF REVENUE BONDS TO FINANCE INDUSTRIAL AND POLLUTION CONTROL PROJECTS FOR INDUSTRY AND POLLUTION CONTROL PROJECTS FOR PUBLIC UTILITIES.

The General Assembly of North Carolina enacts:

Section 1. The General Statutes of North Carolina are hereby amended by inserting therein a new Chapter to be designated Chapter 159C and to read as follows:

Chapter 159A.

"Industrial and Pollution Control Facilities Financing Act.

"§ 159C-1. **Short title.** — This Chapter may be referred to as the 'Industrial and Pollution Control Facilities Financing Act'.

"§ 159C-2. **Legislative findings and purposes.** — (a) The General Assembly finds and determines that there exists in the State a critical condition of unemployment and a scarcity of employment opportunities; that the economic insecurity which results from such unemployment and scarcity of employment opportunities constitutes a serious menace to the safety, morals and general welfare of the entire State; that such unemployment and scarcity of employment opportunities have caused many workers and their families, including young adults upon whom future economic prosperity is dependent, to migrate elsewhere to find employment and establish homes; that such emigration has resulted in a reduced rate of growth in the tax base of the counties and other local governmental units of the State which impairs the financial ability of such counties and other local governmental units to support education and other local governmental services; that such unemployment results in obligations to grant public assistance and to pay unemployment compensation; that the aforesaid conditions can best be remedied by the attraction, stimulation, expansion and rehabilitation and revitalization of industrial and manufacturing facilities for industry in the State; and that there is a need to stimulate a larger flow of private investment funds into industrial building programs into the State.

(b) The General Assembly further finds and determines that the development and expansion of industry within the State, and the generation of electric power and the supply of other services by public utilities, which are essential to the economic growth of the State and to the full employment and prosperity of its people, are accompanied by the increased production and discharge of gaseous, liquid, and solid pollution and wastes which threaten and endanger the health, welfare and safety of the inhabitants of the State by polluting the air, land and waters of the State; that in order to reduce, control, and prevent such environmental pollution, it is imperative that action be taken at various levels of government to require the provision of devices, equipment and facilities for the collection, reduction, treatment, and disposal of such pollution and wastes; that the assistance provided in this Chapter, especially with respect to financing, is therefore in the public interest and serves a public purpose of the State in promoting the health, welfare and safety of the inhabitants of the State not only physically by collecting, reducing, treating and preventing environmental pollution but also economically by securing and retaining private industry thereby maintaining a higher level of employment and economic activity and stability.

(c) It is therefore declared to be the policy of the State to promote the right to gainful employment opportunity, private industry, the prevention and control of the pollution of the air, land and waters of the State, and the safety, morals and health of the people of the State, and thereby promote general welfare of the people of the State, by authorizing counties to create county authorities which shall be political subdivisions and bodies corporate and politic of the State. These bodies are to be formed (1) to aid in the financing of industrial and manufacturing facilities for the purpose of alleviating unemployment or raising below average manufacturing wages by

financing industrial and manufacturing facilities which provide job opportunities or pay better wages than those prevalent in the area and (2) to aid in financing pollution control facilities for industry in connection with manufacturing and industrial facilities and for public utilities; provided, however, that it is the policy of the State to finance only those facilities where there is a direct or indirect favorable impact on employment or an improvement in the degree of prevention or control of pollution commensurate with the size and cost of the facilities.

"§ 159C-3. **Definitions.** — The following terms, whenever used or referred to in this Chapter, shall have the following respective meanings, unless a different meaning clearly appears from the context:

(1) 'Agency' shall include any agency, bureau, commission, department or instrumentality.

(2) 'Air pollution control facility' shall mean any structure, equipment or other facility for, including any increment in the cost of any structure, equipment or facility attributable to, the purpose of treating, neutralizing or reducing gaseous industrial waste and other air pollutants, including recovery, treatment, neutralizing or stabilizing plants and equipment and their appurtenances, which shall have been certified by the agency having jurisdiction to be in furtherance of the purpose of abating or controlling atmospheric pollutants or contaminants.

(3) 'Bonds' shall mean revenue bonds of an authority issued under the provisions of this Chapter.

(4) 'Cost' as applied to any project shall embrace all capital costs thereof, including the cost of construction, the cost of acquisition of all property, including rights in land and other property, both real and personal and improved and unimproved, the cost of demolishing, removing or relocating any buildings or structures on lands so acquired, including the cost of acquiring any lands to which such buildings or structures may be moved or relocated, the cost of all machinery and equipment, installation, start-up expenses, financing charges, interest prior to, during and for a period not exceeding one year after completion of construction, the cost of engineering and architectural surveys, plans and specifications, the cost of consultants' and legal services, other expenses necessary or incidental to determining the feasibility or practicality of such project, administrative and other expenses necessary or incidental to the acquisition or construction of such project and the financing of the acquisition and construction thereof.

(5) 'Governing body' shall mean the board, commission, council or other body in which the general legislative powers of any county or other political subdivision are vested.

(6) 'Lease agreement' shall mean a written instrument establishing the rights and responsibilities of the authority and the operator with respect to a project financed by the issue of bonds. A lease agreement may be in the nature of a lease, a lease and lease-back, a sale and leaseback, or a lease purchase and may involve property in addition to the property financed by the bonds.

(7) 'Obligor' shall mean collectively the operator and any others who shall be obligated under a lease agreement or guaranty agreement or other contract or agreement to make payments to, or for the benefit of, the holders of bonds of the authority. Any requirement of an obligor may be satisfied by any one or more persons who are defined collectively by this Chapter as the obligor.

(8) 'Operator' shall mean the person entitled to the use or occupancy of a project.

(9) 'Pollution' and 'pollutants' shall mean any noxious or deleterious substances in any air or waters of or adjacent to the State of North Carolina or affecting the physical, chemical or biological properties of any air or waters of or adjacent to the State of North Carolina in a manner and to an extent which renders or is likely to render such air or waters harmful or inimical to the public health, safety or welfare, or to animal, bird or aquatic life, or to the use of such air or waters for domestic, industrial or agricultural purposes or recreation.

(10) 'Political subdivision' shall mean any county, city, town, other unit of local government or any other governmental corporation, agency, authority or instrumentality of the State now or hereafter existing.

(11) 'Project' shall mean any land, equipment or any one or more buildings or other structures, whether or not on the same site or sites, and any rehabilitation, improvement, renovation or enlargement of, or any addition to, any building or structure for use as or in connection with (a) any industrial project for industry which project may be any industrial or manufacturing factory, mill, assembly plant or fabricating plant, or (b) any pollution control project for industry or for public utilities which project may be any air pollution control facility, water pollution control facility, or solid waste disposal facility in connection with any factory, mill or plant described in clause (a) of this paragraph or in connection with a public utility plant, or (c) any combination of projects mentioned in clauses (a) and (b) of this paragraph. Any project may include all appurtenances and incidental facilities such as land, headquarters or office facilities, warehouses, distribution centers, access roads, sidewalks, utilities, railway sidings, trucking and similar facilities, parking facilities, landing strips and other facilities for aircraft, waterways, docks, wharves and other improvements necessary or convenient for the construction, maintenance and operation of any building or structure, or addition thereto.

(12) 'Revenues' shall mean, with respect to any project, the rents, fees, charges, payments, proceeds and other income or profit derived therefrom or from the lease agreement or security document in connection therewith.

(13) 'Security document' shall mean a written instrument or instruments establishing the rights and responsibilities of the authority and the holders of bonds issued to finance a project, and may provide for, or be in the form of an agreement with a trustee for the benefit of such bondholders. A security document may contain an assignment, pledge, mortgage or other encumbrance of all or part of the authority's interest in, or right to receive revenues with respect to, a project and any other property provided by the operator or other obligor under a lease agreement and may bear any appropriate title. A lease agreement and a security document may be combined as one instrument.

(14) 'Solid waste' shall mean solid waste materials resulting from any industrial or manufacturing activities or from any pollution control facility.

(15) 'Solid waste disposal facility' shall mean a facility for the purpose of treating, burning, compacting, composting, storing or disposing of solid waste.

(16) 'Water pollution control facility' shall mean any structure, equipment or other facility for, including any increment in the cost of any structure, equipment or facility attributable to, the purpose of treating, neutralizing or reducing liquid industrial waste and other water pollution, including collecting, treating, neutralizing, stabilizing, cooling, segregating, holding, recycling, or disposing of liquid industrial waste and other water pollution, including necessary collector, interceptor, and outfall lines and pumping stations, which shall have been certified by the agency exercising jurisdiction to be in furtherance of the purpose of abating or controlling water pollution.

"§ 159C-4. Creation of authorities. —(a) The governing body of any county is hereby authorized to create by resolution a political subdivision and body corporate and politic of the State known as 'The _____ (the blank space to be filled in with the name of the county) County Industrial Facilities and Pollution Control Financing Authority', which shall consist of a board of seven commissioners, to be appointed by the governing body of such county in the resolution creating such authority, or by subsequent resolution. At least 30 days prior to the adoption of such resolution, the governing body of such county shall file with the Department of Natural and Economic Resources and the Local Government Commission of the State notice of its intention to adopt a resolution creating an authority. At the time of the appointment of the first board of commissioners the governing body of the county

shall appoint two commissioners for initial terms of two years each, two commissioners for initial terms of four years each and three commissioners for initial terms of six years each and thereafter the terms of all commissioners shall be six years, except appointments to fill vacancies which shall be for the unexpired terms. Each appointed commissioner before entering upon his duties shall take and subscribe to an oath before some person authorized by law to administer oaths to execute the duties of his office faithfully and impartially, and a record of each such oath shall be filed with the governing body of the county and entered in its minutes. All authority commissioners will serve at the pleasure of the governing body of the county. If at the end of any term of office of any commissioner a successor thereto shall not have been appointed, then the commissioner whose term of office shall have expired shall continue to hold office until his successor shall be so appointed and qualified.

(b) Each commissioner of an authority shall be a qualified elector and resident of the county for which the authority is created, and no commissioner shall be an officer or employee of the State or any political subdivision or any agency of either of them. Any commissioner of an authority may be removed, with or without cause, by the governing body of the county.

(c) The board of commissioners of the authority shall annually elect from its membership a chairman and a vice-chairman and another person or persons, who may but need not be commissioners, as treasurer, secretary and, if desired, assistant secretary. The position of secretary and treasurer or assistant secretary and treasurer may be held by the same person. The secretary of the authority shall keep a record of the proceedings of the authority and shall be the custodian of all books, documents and papers filed with the authority, the minute book or journal of the authority and its official seal. Either the secretary or the assistant secretary of the authority may cause copies to be made of all minutes and other records and documents of the authority and may give certificates under the official seal of the authority to the effect that such copies are true copies, and all persons dealing with the authority may rely upon such certificates.

(d) A majority of the commissioners of an authority then in office shall constitute a quorum. The affirmative vote of a majority of the commissioners of an authority then in office shall be necessary for any action taken by the authority. A vacancy in the board of commissioners of the authority shall not impair the right of a quorum to exercise all the rights and perform all the duties of the authority. Any action taken by the authority under the provisions of this Chapter may be authorized by resolution at any regular or special meeting, and each resolution shall take effect immediately and need not be published or posted. No bonds shall be issued under the provisions of this Chapter unless the issuance thereof shall have been approved by the governing body of the county.

(e) No commissioner of an authority shall receive any compensation for the performance of his duties under this Chapter; provided, however, that each commissioner shall be reimbursed for his necessary expenses incurred while engaged in the performance of duties but only from moneys provided by obligors.

(f) Within 30 days of the date of creation of the authority, the authority shall advise the Department of Natural and Economic Resources and the Local Government Commission that an authority has been formed. The authority shall also furnish such department and such commission with (1) a list of its commissioners and its officers and (2) a description of any projects that are under consideration by the authority. The authority shall, from time to time, notify the Department of Natural and Economic Resources and the Local Government Commission of changes in commissioners and officers and of new projects under consideration by the authority.

"§ 159C-5. **General powers.** — Each authority shall have all of the powers necessary or convenient to carry out and effectuate the purposes and provisions of this Chapter, including, but without limiting the generality of the foregoing, the powers:

- (1) To adopt bylaws for the regulation of its affairs and the conduct of its business and to prescribe rules, regulations and policies in connection with the performance of its functions and duties;
- (2) To adopt an official seal and alter the same at pleasure;
- (3) To maintain an office at such place or places within the boundaries of the county for which it was created as it may determine;
- (4) To sue and be sued in its own name, plead and be impleaded;
- (5) To receive, administer and comply with the conditions and requirements respecting any gift, grant or donation of any property or money;
- (6) To make and execute lease agreements, security documents and other contracts and instruments necessary or convenient in the exercise of the powers and functions of the authority under this Chapter;
- (7) To acquire by purchase, lease, gift or otherwise, but not by eminent domain, or to obtain options for the acquisition of, any property, real or personal, improved or unimproved, and interests in land less than the fee thereof, for the construction, operation or maintenance of any project;
- (8) To sell, lease, exchange, transfer or otherwise dispose of, or to grant options for any such purposes with respect to, any real or personal property or interest therein;
- (9) To pledge or assign revenues of the authority;
- (10) To acquire, own, repair, maintain, extend, improve, rehabilitate, renovate, furnish and equip one or more projects and to pay all or any part of the costs thereof from the proceeds of bonds of the authority or from any contribution, gift or donation or other
- (11) To fix, charge and collect revenues with respect to any project;
- (12) To employ consulting engineers, architects, attorneys, real estate counselors, appraisers and such other consultants and employees as may be required in the judgment of the authority and to fix and pay their compensation from funds available to the authority therefore; and
- (13) To do all acts and things necessary, convenient or desirable to carry out the purposes, and to exercise the powers herein granted.

"§ 159C-6. **Bonds.** — (a) Each authority is hereby authorized to provide for the issuance, at one time or from time to time, of bonds of the authority for the purpose of paying all or any part of the cost of any project. The principal of, the interest on and any premium payable upon the redemption of such bonds shall be payable solely from the funds herein authorized for such payment. The bonds of each issue shall bear interest as may be determined by the Local Government Commission of North Carolina with the approval of the authority and the obligor irrespective of the limitations of G.S. 24-1.1, as amended, and successor provisions. The bonds of each issue shall be dated, shall mature at such time or times not exceeding 30 years from the date of their issuance, and may be made redeemable before maturity at such price or prices and under such terms and conditions, as may be fixed by the authority prior to the issuance of the bonds. The authority shall determine the form and the manner of execution of the bonds, including any interest coupons to be attached thereto, and shall fix the denomination or denominations of the bonds and the place or places of payment of principal and interest. In case any officer whose signature or a facsimile of whose signature shall appear on any bonds or coupons shall cease to be such officer before the delivery of such bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery. The authority may also provide for the

authentication of the bonds by a trustee or fiscal agent. The bonds may be issued in coupon or in fully registered form, or both, as the authority may determine, and provision may be made for the registration of any coupon bonds as to principal alone and also as to both principal and interest, and for the reconversion into coupon bonds of any bonds registered as to both principal and interest, and for the interchange of registered and coupon bonds.

The proceeds of the bonds of each issue shall be used solely for the payment of the cost of the project or projects, or a portion thereof, for which such bonds shall have been issued, and shall be disbursed in such manner and under such restrictions, if any, as the authority may provide in the lease agreement and the security document. If the proceeds of the bonds of any issue, by reason of increased construction costs or error in estimates or otherwise, shall be less than such cost, additional bonds may in like manner be issued to provide the amount of such deficiency. The authority may issue interim receipts or temporary bonds, with or without coupons, exchangeable for definitive bonds when such bonds have been executed and are available for delivery. The authority may also provide for the replacement of any bonds which shall become mutilated or shall be destroyed or lost.

Bonds may be issued under the provisions of this Chapter without obtaining, except as otherwise expressly provided in this Chapter, the consent of the State or of any political subdivision or of any agency of either thereof, and without any other proceedings or the happening of any conditions or things other than those proceedings, conditions or things which are specifically required by this Chapter and the provisions of the lease agreement and security document authorizing the issuance of such bonds and securing the same.

"§ 159C-7. **Approval of project.** — No bonds may be issued by an authority unless the project for which the issuance thereof is proposed is first approved by the Secretary of the Department of Natural and Economic Resources. The authority shall file an application for approval of its proposed project with the Secretary of the Department of Natural and Economic Resources, and shall notify the Local Government Commission of such filing.

The secretary shall not approve any proposed project unless he shall make all of the following, applicable findings:

- (1) In the case of a proposed industrial project,
 - (a) that the operator of the proposed project pays, or has agreed to pay thereafter, an average manufacturing wage which is above the average manufacturing wage paid in the county, and
 - (b) that the proposed project will not have a materially adverse effect on the environment;
- (2) In the case of a proposed pollution control project, that such project will have a materially favorable impact on the environment or will prevent or diminish materially the impact of pollution which would otherwise occur; and
- (3) In any case (whether the proposed project is an industrial or a pollution control project), except a pollution control project for a public utility,
 - (a) that the jobs to be generated or saved, directly or indirectly, by the proposed project will be large enough in number to have a measurable impact on the area immediately surrounding the proposed project and will be commensurate with the size and cost of the proposed project.
 - (b) that the proposed operator of the proposed project has demonstrated or can demonstrate the capability to operate such project, and
 - (c) that the financing of such project by the authority will not cause or result in the abandonment of an existing industrial or manufacturing facility of the proposed operator or an affiliate elsewhere within the State unless

the facility is to be abandoned because of obsolescence, lack of available labor in the area, or site limitations.

In any case where the secretary shall make all of the required findings respecting a proposed industrial project except that prescribed in subparagraph (1) (a) of this section, the secretary may, in his discretion, approve the proposed project if he shall have received (i) a resolution of the governing body of the county requesting that the proposed project be approved notwithstanding that the operator will not pay an average manufacturing wage above the average manufacturing wage in the county and (ii) a letter from an appropriate State official, selected by the secretary, to the effect that unemployment in the county is especially severe.

To facilitate his review of each proposed project, the secretary may require the authority to obtain and submit such date and information about such project as the secretary may prescribe. In addition, the secretary may, in his discretion, request the authority to hold a public hearing on the proposed project for the purpose of providing the secretary directly with the views of the community to be affected. The secretary may also prescribe such forms and such rules and regulations as he shall deem reasonably necessary to implement the provisions of this section.

If the secretary approves the proposed project, he shall prepare a Certificate of Approval evidencing such approval and setting forth his findings and shall cause said Certificate of Approval to be published in a newspaper of general circulation within the county. Any such approval shall be reviewable as provided in Article 4 of Chapter 150A of the General Statutes of North Carolina only by an action filed, within 30 days after notice of such findings and approval shall have been so published, in the Superior Court of Wake County. Such superior court is hereby vested with jurisdiction to hear such action, but if no such action is filed within the 30 days herein prescribed, the validity of such approval shall be conclusively presumed, and no court shall have authority to inquire into such approval. Copies of the Certificate of Approval of the proposed project will be given to the authority, the governing body of the county and the secretary of the local government commission.

Such Certificate of Approval shall become effective immediately following the expiration of such 30-day period or the expiration of any appeal period after a final determination by any court of any action timely filed pursuant to this section. Such certificate shall expire one year after its date unless extended by the secretary who shall not extend such certificate unless he shall again approve the proposed project as provided in this section.

"§ 159C-8. Approval of bonds. — No bonds may be issued by an authority unless the issuance thereof is first approved by the Local Government Commission.

The authority shall file an application for approval of its proposed bond issue with the Secretary of the Local Government Commission, and shall notify the Secretary of the Department of Natural and Economic Resources of such filing.

In determining whether a proposed bond issue should be approved, the Local Government Commission may consider, without limitation, the following:

(1) Whether the proposed operator and obligor have demonstrated or can demonstrate the financial responsibility and capability to fulfill their obligations with respect to the lease agreement. In making such determination, the commission may consider the operator's experience and the obligor's ratio of current assets to current liabilities, net worth, earnings trends and coverage of fixed charges, the nature of the industry or business involved and its stability and any additional security such as insurance, guaranties or property to be pledged to secure such bonds.

(2) Whether the political subdivisions in or near which the proposed project is to be located have the ability to cope satisfactorily with the impact of such project and to provide, or cause to be provided, the public facilities and services, including utilities, that will be necessary for such project and on account of any increase in population which are expected to result therefrom.

(3) Whether the proposed date and manner of sale will have an adverse effect upon any scheduled or anticipated sale of obligations by the State or any political subdivision or any agency of either of them.

To facilitate the review of the proposed bond issue by the commission, the secretary may require the authority to obtain and submit such financial data and information about the proposed bond issue and the security therefore, including the proposed prospectus or offering circular, the proposed lease agreement and security document and annual and other financial reports and statements of the obligor, as the secretary may prescribe. The secretary may also prescribe such forms and such rules and regulations as he shall deem reasonably necessary to implement the provisions of this section.

"§ 159C-9. Sale of bonds. — Bonds may be sold in such manner, either at public or private sale, and for such price as the Local Government Commission shall determine to be for the best interests of the authority and effectuate best the purposes of this Chapter irrespective of the interest limitations set forth in G.S. 24-1.1, as amended, and successor provisions, provided that such sale shall be approved by the authority and the obligor.

"§ 159C-10. Location of projects. — Any project or projects of an authority shall be located within the boundaries of the county for which the authority was created.

"§ 159C-11. Lease agreements. — Every lease agreement shall provide that:

(1) The authority shall not operate the project.

(2) The amounts payable under the lease agreement shall be sufficient to pay all of the principal of and interest and redemption premium, if any, on the bonds that shall be issued by the authority to pay the cost of the project as the same shall respectively become due;

(3) The obligor shall pay all costs incurred by the authority in connection with the financing and administration of the project, except as may be paid out of the proceeds of bonds or otherwise, including, but without limitation, insurance costs, the cost of administering the lease agreement and the security document and the fees and expenses of the fiscal agent or trustee, paying agents, attorneys, consultants and others;

(4) The obligor shall pay all the costs and expenses of operation, maintenance and upkeep of the project; and

(5) The obligor's obligation to provide for the payment of the bonds in full shall not be subject to cancellation, termination or abatement until such payment of the bonds or provision therefore shall be made.

The lease agreement shall either provide that the obligor shall have an option to purchase, or require that the obligor purchase, the project upon the expiration or termination of the lease agreement subject to the condition that payment in full of the principal of, and the interest and any redemption premium on, the bonds, or provision therefore, shall have been made.

The lease agreement may provide the authority with rights and remedies in the event of a default by the obligor thereunder including, without limitation, any one or more of the following:

(I) Acceleration of all amounts payable under the lease agreement;

(II) Re-entry and repossession of the project;

(III) Termination of the lease agreement;

(IV) Leasing the project to others; and

(V) Taking whatever actions at law or in equity may appear necessary or desirable to collect the amounts payable under, and to enforce covenants made in, the lease agreement.

The authority may assign all or any of its right and remedies under the lease agreement to the trustee or bondholders under the security document.

Any such lease agreement may contain such additional provisions as in the determination of the authority are necessary or convenient to effectuate the purposes of this Chapter.

"§ 159C-12. Security documents. — Bonds issued under the provisions of this Chapter may be secured by a security document which may be a trust instrument between the authority

and a corporate trustee, which may be any trust company or bank having the powers of a trust company within or without the State. Such security document may pledge and assign the revenues provided for the security of the bonds, including proceeds from the sale of any project, or part thereof, insurance proceeds and condemnation awards, and may convey or mortgage the project and other property to secure a bond issue.

The revenues and other funds derived from the project, except such part thereof as may be necessary to provide reserves therefore, if any, shall be set aside at such regular intervals as may be provided in such security document in a sinking fund which may be thereby pledged to, and charged with, the payment of the principal of and the interest on such bonds as the same shall become due and the redemption price or the purchase price of bonds retired by call or purchase as therein provided. Such pledge shall be valid and binding from the time when the pledge is made. The revenues so pledged and thereafter received by the authority shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the authority, irrespective of whether such parties have notice thereof. The use and disposition of money to the credit of such sinking fund shall be subject to the provisions of the security document. Such security document may contain such provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper and not in violation of law, including, without limitation, any one or more of the following:

- (1) Acceleration of all amounts payable under the security document;
- (2) Appointment of a receiver to manage the project and any other property mortgaged or assigned as security for the bonds;
- (3) Foreclosure and sale of the project and any other property mortgaged or assigned as security for the bonds; and
- (4) Rights to bring and maintain such other actions at law or in equity as may appear necessary or desirable to collect the amount payable under, or to enforce the covenants made in, the security document.

It shall be lawful for any bank or trust company incorporated under the laws of this State which may act as depository of the proceeds of bonds, revenues or other funds provided under this Chapter to furnish such indemnifying bonds or to pledge such securities as may be required by the authority. All expenses incurred in carrying out the provisions of such security document may be treated as a part of the cost of the project in connection with which bonds are issued or as an expense of administration of such project.

"§ 159C-13. **Trust funds.** — Notwithstanding any other provisions of law to the contrary, all money received pursuant to the authority of this Chapter, whether as proceeds from the sale of bonds or as revenues, shall be deemed to be trust funds to be held and applied solely as provided in this Chapter. The security document may provide that any of such moneys may be temporarily invested and reinvested pending the disbursement thereof in such securities and other investments as shall be provided in such security document, and shall provide that any officer with whom, or any bank or trust company with which, such moneys shall be deposited shall act as trustee of such moneys and shall hold and apply the same for the purpose hereof, subject to such regulations as this Chapter and such security document may provide.

"§ 159C-14. **Tax exemption.** — The authority shall not be required to pay any taxes on any project or any other property owned by the authority under the provisions of this Chapter or upon the income therefrom, and the bonds issued under the provisions of this Chapter and the income therefrom shall at all times be free from taxation by the State or political subdivision or any agency of either thereof.

Every capital project financed through this Chapter shall be subject to taxation paid by the operator of the project. Taxes shall be assessed and paid as though no public body had any interest therein.

"§ 159C-15. **Construction contracts.** — Contracts for the construction of the project may be awarded by the authority in such manner as in its judgment will best promote free and open competition, including advertisement for competitive bids in a newspaper of general circulation in the county in which the project is to be located, provided, however, that if the authority shall determine that the purposes of the Chapter will thereby be more effectively served, the authority in its discretion may award contracts for the construction of any project, or any part thereof, upon a negotiated basis as determined by the authority. The authority shall prescribe such bid security requirements and other procedures in connection with the award of such contracts as in its judgment shall protect the public interest.

The authority may in the lease agreement engage the services of the prospective operator of any project in the construction of such project and may provide in such contract that such operator shall act as an independent contractor for and agent of the authority for the performance of the functions described therein, subject to such conditions and requirements, consistent with the provisions of this Chapter as shall be prescribed in such document. Contracts for the construction of the project may be awarded on a competitive or negotiated basis as may be provided in the lease document with the approval of the authority. Any such contract may provide that the authority may, out of proceeds of bonds, make advances to or reimburse the operator for its costs incurred in the performance of such functions.

"§ 159C-16. **Conflict of interest.** — No officer, member, agent or employee of the authority or the State or any political subdivision or any agency of either the State or any political subdivision shall be interested either directly or indirectly in any contract with an authority; provided, however, that this section shall not apply to the ownership of less than one per centum of the stock of any operator or obligor.

"§ 159C-17. **Credit of State not pledged.** — Bonds issued under the provisions of this Chapter shall not be deemed to constitute a debt of the State or any political subdivision or any agency thereof or a pledge of the faith and credit of the State or any political subdivision or any such agency, but shall be payable solely from the revenues and other funds provided therefore. Each bond issued under this Chapter shall contain on the face thereof a statement to the effect that the authority shall not be obligated to pay the same or the interest thereon except from the revenues and other funds pledged therefore and that neither the faith and credit nor the taxing power of the State or any political subdivision or any agency thereof is pledged to the payment of the principal of or the interest on such bonds.

"§ 159C-18. **Bonds eligible for investment.** — Bonds issued by an authority under the provision of this Chapter are hereby made securities in which all public officers and agencies of the State and all political subdivisions, all insurance companies, trust companies, banking associations, investment companies, executors, administrators, trustees and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them.

"§ 159C-19. **Revenue refunding bonds.** — (a) Each authority is hereby authorized to provide by resolution for the issuance of refunding bonds of the authority for the purpose of refunding any bonds then outstanding which shall have been issued under the provisions of this Chapter, including the payment of any redemption premium thereon and any interest accrued or to accrue to the date of redemption of such bonds, and, if deemed advisable by the authority, for either or both of the following additional purposes:

- (1) Constructing improvements, additions, extensions or enlargements of the project or projects in connection with which the bonds to be refunded shall have been issued, and
- (2) Paying all or any part of the cost of any additional project or projects.

The issuance of such bonds, the maturities and other details thereof, the rights of the holders thereof, and the rights, duties and obligations of the authority in respect to the same shall be governed by the provisions of this Chapter which relate to the issuance of bonds, insofar as such provisions may be appropriate therefore.

The approvals required by Section 159C-7 and Section 159C-8 shall be obtained prior to the issuance of any refunding bonds, provided, however, that in the case where the refunding bonds of all or a portion of an issue are to be issued solely for the purpose of refunding outstanding bonds issued under this Chapter, the approval required by Section 159C-7 shall not be required as to the project financed with the bonds to be refunded.

(b) Refunding bonds issued under this section may be sold or exchanged for outstanding bonds issued under this Chapter and, if sold, the proceeds thereof may be applied, in addition to any other authorized purposes, to the purchase, redemption or payment of such outstanding bonds. Refunding bonds may be issued, in the determination of the authority, at any time not more than five years prior to the date of maturity or maturities or the date selected for the redemption of the bonds being refunded thereby. Pending the application of the proceeds of such refunding bonds, with any other available funds, to the payment of the principal of and accrued interest and any redemption premium on the bonds being refunded, and, if so provided or permitted in the security document securing the same, to the payment of any interest on such refunding bonds and any expenses in connection with such refunding, such proceeds may be invested in direct obligations of, or obligations the principal of and the interest on which are unconditionally guaranteed by, the United States of America which shall mature or which shall be subject to redemption by the holder thereof, at the option of such holder, not later than the respective dates when the proceeds, together with the interest accruing thereon, will be required for the purposes intended.

"§ 159C-20. No power of eminent domain. — No authority shall have any right or power to acquire any property through the exercise of eminent domain or any proceedings in the nature of eminent domain.

"§ 159C-21. Dissolution of authorities. — Whenever the board of commissioners of an authority and the governing body of the county for which such authority was created shall by joint resolution determine that the purposes for which the authority was formed have been substantially fulfilled and that all bonds theretofore issued and all other obligations theretofore incurred by the authority have been fully paid or satisfied, such board of commissioners and governing body may declare the authority to be dissolved. On the effective date of such joint resolution, the title to all funds and other property owned by the authority at the time of such dissolution shall vest in the county or in such other political subdivisions as the county shall direct, and possession of such funds and other property shall forthwith be delivered to the county or to such other political subdivisions in accordance with the direction of the county.

"§ 159C-22. Annual reports. — Each authority shall, promptly following the close of each calendar year, submit an annual report of its activities for the preceding year to the governing body

of the county for which the authority was created. Each such report shall set forth a complete operating and financial statement covering the operations of the authority during such year. The authority shall cause an audit of its books and accounts to be made at least once in each year by certified public accountants and the cost thereof may be treated as a part of the cost of construction of a project, to the extent such audit covers the construction of the project, or otherwise as part of the expense of administration of the project covered by such audit.

"§ 159C-23. Officers not liable. — No commissioner of any authority shall be subject to any personal liability or accountability by reason of his execution of any bonds or the issuance thereof.

"§ 159C-24. Additional method. — The foregoing sections of this Chapter shall be deemed to provide an additional and alternative method for the doing of the things authorized thereby and shall be regarded as supplemental and additional to powers conferred by other laws, and shall not be regarded as in derogation of any powers now existing, provided, however, that the issuance of bonds or refunding bonds under the provisions of this Chapter need not comply with the requirements of any other law applicable to the issuance of bonds."

Sec. 2. Liberal construction. This Chapter, being necessary for the prosperity and welfare of the State and its inhabitants, shall be liberally construed to effect the purposes hereof.

Sec. 3. Inconsistent laws inapplicable. Insofar as the provisions of this Chapter are inconsistent with the provisions of any general, special or local laws, or parts thereof, the provisions of this Chapter shall be controlling.

Sec. 4. Severability. If any clause or other portion of this Chapter shall be held invalid, that decision shall not affect the validity of the remaining portions of this Chapter. It is hereby declared that all such remaining portions are severable and that the General Assembly would have enacted such remaining portions if the portions that may be so held to be invalid had not been included in this Chapter.

Sec. 5. This Chapter shall become effective upon the certification by the State Board of Elections that an amendment to the North Carolina Constitution authorizing the enactment of general laws dealing with the transactions of the type contemplated by this Chapter has been approved by the people of the State.

In the General Assembly read three times and ratified, this the 24th day of June, 1975.

EXHIBIT A

BYLAWS OF
THE BRUNSWICK COUNTY INDUSTRIAL FACILITIES
AND POLLUTION CONTROL FINANCING AUTHORITY

ARTICLE I

OFFICES

1. The principal office of the Authority shall be in the City of Southport, North Carolina, at such particular place as shall be fixed from time to time by resolution of the Authority.

2. The permanent mailing address for purposes of all notices and correspondence is P O Box 638, Southport, NC 28461 .

3. Except as otherwise required by resolution of the Authority, or as the business of the Authority may require, all of the books and records of the Authority shall be kept at the office to be designated as hereinabove provided.

ARTICLE II

MEETINGS OF THE AUTHORITY

1. Meetings of the Authority may be called by the Chairman, or in his absence from the State of North Carolina or incapacity, by the Vice Chairman, for such time and at such place in the State of North Carolina as may be specified in the call, upon twenty-four hours' written notice. Meetings of the Authority may be held at any time without notice, provided all members of the Authority are present or those not present have waived notice thereof. Such meetings may be held at such times and places as the notice thereof or waiver may specify. Any business of the Authority may be considered and acted upon at any such meeting.

2. At all meetings of the Authority the following order of business shall be observed, as far as consistent with the purpose of the meeting:

- i. Reading and approval of the minutes of the preceding meeting.
- ii. Reports of officers.

- iii. Reports of committees.
- iv. Unfinished business.
- v. New business.

3. The vote on the adoption of every resolution shall be by ayes and noes, and the names of the members voting for and against the resolution shall be entered upon the minutes of the meeting.

ARTICLE III

OFFICERS

1. The officers of the Authority shall be a Chairman, a Vice Chairman, a Treasurer, a Secretary and an Assistant Secretary. The Chairman, Vice Chairman, Treasurer, Secretary and Assistant Secretary shall hold such offices until November 3, 1977, of the following year and until the election of their successors.

2. The Chairman shall be the chief executive officer of the Authority and shall preside at all meetings of the Authority. Unless some other person is thereunto specifically authorized by vote of the Authority, the Chairman shall sign all contracts and other instruments to be executed on behalf of the Authority. He shall perform all the duties commonly incident to this office, and shall perform such other duties and have such other powers as the Authority may from time to time designate.

3. The Vice Chairman shall perform the duties and have the powers of the Chairman during the absence or incapacity of the Chairman. He shall then perform all the duties commonly incident to the office of Chairman, and shall perform such other duties and have such other powers as the Authority may from time to time designate.

4. Subject to the provisions of any trust agreement or resolution securing revenue bonds of the Authority, the Treasurer shall have the care and custody of the funds of the Authority and shall have and exercise, under the supervision of the Authority, all the powers and duties commonly incident to the office of treasurer.

5. The Secretary shall attend all meetings of the Authority and act as secretary or clerk thereof; he shall record all votes and keep accurate records of all proceedings at such meetings in a minute book to be kept for that purpose, which shall be open at all reasonable times to the inspection of any member. The Secretary shall cause notice to be given of all meetings of the Authority as required by law or by these Bylaws; he shall keep in safe custody the official seal to all papers authorized to be executed by the Authority requiring such seal to be affixed. He shall have authority to cause copies to be made of all minutes and other records and documents of the Authority and to give certificates under the official seal of the Authority to the effect that such copies are true copies, and all persons dealing with the Authority may rely upon such certificates.

He shall perform all the duties commonly incident to the office of secretary or clerk and shall perform such other duties and have such other powers as the Authority from time to time may designate.

6. The Assistant Secretary shall perform the duties and have the powers of the Secretary during the absence or incapacity of the Secretary. He shall then perform all the duties commonly incident to the office of Secretary, and shall perform such other duties and have such other powers as the Authority may from time to time designate.

7. In addition to the officers above-mentioned, the Authority may provide for such deputies, assistants and other officers as it may deem necessary from time to time, who shall perform such duties and have such powers as the Authority may designate.

8. All legal matters and proceedings for the Authority shall be conducted under the supervision and direction of the County Attorney for Brunswick County.

ARTICLE IV

OFFICIAL SEAL

The official seal of the Authority shall consist of the embossed impression of a circular metallic disc containing the words "THE BRUNSWICK COUNTY INDUSTRIAL FACILITIES AND POLLUTION CONTROL FINANCING AUTHORITY, N.C.", and the Secretary shall secure such seal and cause an impression thereof to be made on the margin of the minutes containing this Article.

ARTICLE V

NET EARNINGS

Any net earnings of the Authority (beyond that necessary for retirement of the revenue bonds of the Authority) may not inure to the benefit of any other person than the Authority.

ARTICLE VI

AMENDMENTS

Except as otherwise provided by law, these Bylaws may be amended, added to, altered or repealed in whole or in part by the Authority at any meeting of the Authority, provided that notice of the proposed amendment, addition, alteration or repeal is given in the notice of such meeting, or that all members of the Authority are present at such meeting.

THE BRUNSWICK COUNTY INDUSTRIAL
FACILITIES AND POLLUTION CONTROL
FINANCING AUTHORITY

Certificate of Formation

The undersigned Secretary of The Brunswick County Industrial Facilities and Pollution Control Financing Authority (the "Authority") DOES HEREBY CERTIFY pursuant to the provisions of G.S. 159C-4(f) that:

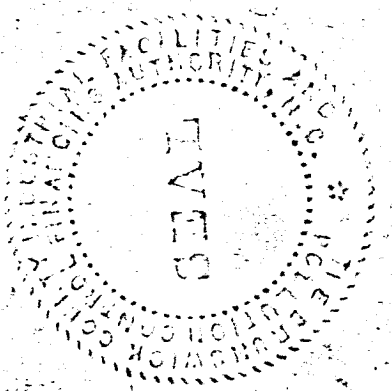
(a) The Authority has been duly and validly formed as authorized by resolution of the Board of Commissioners for the County of Brunswick, a certified copy of the minutes, showing the adoption and a list of the Commissioners of the Authority, is attached hereto as Exhibit 1;

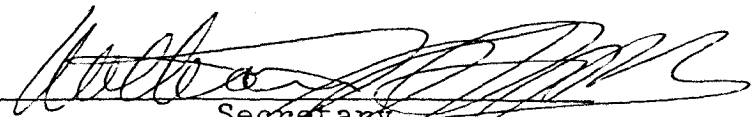
(b) Attached hereto as Exhibit 2 is a certified copy of the minutes of the organizational meeting of the Authority, showing a list of the officers of the Authority; and

(c) Attached hereto as Exhibit 3 is a description of any and all projects under consideration by the Authority.

WITNESS my hand and the official seal of the Authority,
this 3rd day of November, 1976.

[Seal]




Secretary

WILLIAM A. POWELL

INDUSTRIAL REVENUE BONDS

"POLLUTION CONTROL AND INDUSTRIAL FACILITIES FINANCING AUTHORITIES"

In North Carolina, industrial revenue bond financing is done by county authorities. These authorities are units of government and they are responsive to the elected Board of County Commissioners in each of North Carolina's 100 counties. Each authority will reach an agreement with a prospective employer and the authority will seek approvals from two State Agencies. No project can be financed unless the local authority supports the project and sponsors the approval request with the appropriate State Agencies.

Each authority will have an established point of contact for prospective employers. After the authority and the prospective employer have discussed the proposed financing, and have agreed the financing is desirable, they will set down on paper the understanding between the two parties. This Inducement Contract (or "Letter of Intent" or "Memorandum of Agreement") will serve to satisfy IRS requirements and to set out the specifics of how issue expenses are to be authorized and reimbursed. In most cases, the authority will not charge an application fee but shall ask the company to make an advance against expected expenses. Further advances will be requested as the authority seeks authorization to commit for certain expenses. Under this arrangement, the prospective employer can be sure that he is responsible only for those expenses attributed to the cost of doing "his" bond issue. Of course, all expenses will be refunded from bond proceeds when (and if) the financing is accomplished. Since Industrial Revenue Bond Financing is new to North Carolina communities, a prospective employer may wish for some "liason" or "expert advice" on the part of statewide authorities. The Division of Economic Development has a Financial Consultant in Raleigh, and eight field office representatives located in seven regional offices throughout North Carolina, as follows:

Asheville, North Carolina
704/253-3341
Tom Jones
Tom Simpson

Winston-Salem, North Carolina
919/761-2351
Bud Cohoon

Mooresville, North Carolina
704/664-4627
Jim Epting

Raleigh, North Carolina
919/829-2314
Jimmy Lancaster

Fayetteville, North Carolina
919/485-8116
Pam Cooper

Wilmington, North Carolina
919/762-3394
Don Guyton

Washington, North Carolina
919/946-6481
Roger Critcher

Either the Financial Consultant or the Field Office Representative will be privileged to be a party to your discussions with local authorities. It is the established policy of the Division to work with industrial firms so that their expansions and their new plants can be accomplished in an efficient and prompt manner. Helping the authority to accomplish a necessary financing is part of that responsibility.

TYPES OF PROJECTS THAT CAN BE FINANCED

As is the case with all legislation, potential financings must be examined in the light of what is to be defined as a project. The North Carolina Constitutional Amendment and enabling statutes have guidelines and safeguards. Accordingly, the Secretary of Natural and Economic Resources and the Local Government Commission have findings which must be made in approving the project and the bond issue. These findings are set out in full in a later section of this document, with specific reference being made to the attachments, as follows: (a) GS 159C-3 (11), (b) GS 159C-7 (1) or (2) and (3), (c) GS 159C-8, and (d) Subchapter 13G - Departmental Rules and Procedures (Section .0300) 1. A summary of these sections would briefly state that a facility can be defined as a project under the N. C. Statutes if it is an industrial facility or a manufacturing plant, or if it is a pollution control facility for an industrial facility or manufacturing plant. A pollution project would necessarily be one that would be certified by the Division of Environmental Management. It could be for an existing industry or for an expanding industrial plant or for a proposed new facility. A proposed manufacturing expansion or a proposed new facility can be considered if it (1) creates new jobs, (2) if the average new wage to be paid in those new jobs is above the average manufacturing wage paid in that particular county, and (3) if the proposed plant will not have a materially adverse effect on the environment. In any case, the jobs to be saved or generated will be large enough in number to have a measurable impact in the community, the operator will demonstrate the capability to operate the project and the financing will not cause the operator to abandon a facility elsewhere in the State of North Carolina. Exceptions are allowed to the average wage test if employment is "especially severe" in the community (see .0303 in Rules and Procedures). Exceptions are allowed to the abandonment test if the facility to be abandoned is actually being abandoned because of obsolescence, lack of available labor in the area, or site limitations (see .0308 in Rules and Procedures).

INDUCEMENT CONTRACTS

Since the North Carolina Statute is an inducement statute, prospective employers should contact the financing authority when the location decision process reaches its final stages. When an industrial prospect has "narrowed down" its communities and when the prospect has selected the number one community, the authority should be contacted. Negotiations for an "Inducement Contract" should be started as the company gets ready to make commitments on the project. In the case of a pollution project, it is imperative that such an inducement contract or letter of intent be signed before orders are placed for equipment. In the case of manufacturing facilities, the "Inducement Contract" should be signed before public announcements, before real estate is purchased or before construction contracts are signed.

It is recommended that each project be discussed with Bond Council prior to signing of "Inducement Contracts". If technical questions are beyond the ability of the Financial Consultant for the Division of Economic Development, prospective employers will be referred to the local attorney for the authority or to the bond council regularly employed by the county.

Finally, it should be noted that the inducement contract is an agreement which allows an industry to retain its options as to the sources of a particular financing. If for any reason your company decided that an alternate financing plan was more desirable than the issuance of industrial revenue bonds, you would not be obligated to proceed with the bond issue. Accordingly, the authority will have expressed options to withdraw from a financing. However, the company would still be liable for the expenses incurred by the authority even if a financing is not completed.

STATE APPROVAL PROCESS

County authorities must receive approvals from two State agencies before they sell an issue of industrial revenue bonds. As mentioned in previous sections, the Secretary of the Department of Natural and Economic Resources and the Local Government Commission have exact legislated responsibilities. Detailed "Rules and Procedures" for the Department of Natural and Economic Resources are attached, but for the purposes of planning, the following "step by step" plan for implementing an issue is presented.

PROSPECT NEGOTIATIONS

Prospect contact.

Pre-application conference.

Letter of Summary Comment from Natural and Economic Resources (if required).

Signing of Inducement Contract. (Or memorandum of understanding).

APPLICATION PROCESS

Preparation of Application

<u>Industrial Prospect</u>	<u>Pollution Control</u>	<u>Combination Project</u>
Project Description Operation Site, Building Equipment Cost Breakdown Time Schedule	Project Description DEM Certification Inducement Contract	Project Description Operation Site, Building, Equipment Breakdown of Costs Time Schedule
Inducement Agreement	Employment Profile	Inducement Agreement
Employment Profile	Secondary Economic Impact	Employment Profile
Environmental Checklist Status of DEM permits Affected Area Narrative	Narrative as to how water, sewer, gas & electric utilities are to be provided.	Environmental Checklist Permits (or status of applications)
Secondary Water, Sewer, Electric & Gas Services to the site, with comment on how improvements are to be financed.	Project Justification DEM permit (or engineers statement)	Secondary Economic Impact Narrative as to Water, Sewer
Community Narrative	Abandonment Statement	Gas & electric service are to be provided to the site, with comment on how improvements are to be financed.
Abandonment Statement	Company History & Financial Resources	DEM certification (or engineers statement)
Company History & Financial Data		

cont.

Combination Project

Abandonment Statement

Company History &
Financial Data

Application submitted to Natural and Economic Resources and the Local Government Commission.

Public Notice of application.

Project Approval by County Board of Commissioners (Copy to Dept. N & E R).

NATURAL AND ECONOMIC RESOURCES CONSIDERATION

Local comment received by Manager of Field Office.

Certification of Public Notice by Authority received by Natural and Economic Resources.

Field Office Manager summarizes local comment and makes comment as to problems developed by the Field Office staff.

Secretary requests or waives public hearing.

If held, public Notice of Hearing given seven (7) days prior to the hearing.

Transcript sent to Dept. N & E R

Staff prepares Project Record

Project screening committee considers project record

Recommendation to Secretary

Secretary publishes certificate of approval

Thirty (30) day waiting period

Certification from Clerk of Wake Superior Court

Notice of Validity for certificate of approval
(Copy to Authority, LGC)

LOCAL GOVERNMENT COMMISSION CONSIDERATION*

Application received

Amplification of data requested

Findings made

Documents prepared

Bond Issue approved by County Commissioner

LGC approval and sale date

SUMMARY
U. S. INTERNAL REVENUE SERVICE RULES
FOR
INDUSTRIAL REVENUE BONDS

Any brief, one-page summary of any "IRS" position will be somewhat incomplete. This "unofficial" summary is offered only because most industrial prospects ask for such a summary. Before your firm makes any firm commitments, your project should be discussed with Bond Counsel and with your Corporate Tax Officials.

"IRS" rules will be the same in each state and each community considered. They do impose rigid controls on procedures and on project costs. Briefly, these controls can be summarized and discussed in three segments as follows:

- A. The "\$1,000,000 Rule" (Sec. 103,6A) which provides that a unit of government may issue bonds in face amounts of up to \$1,000,000 to finance an industrial project. Under this rule, the operator may finance other project costs in other ways. An example would be when a prospect builds a project consisting of land, buildings and equipment costing \$1,200,000. To hold down costs and "red tape" time, the company might elect to propose a \$1,000,000 "IRB" and finance the \$200,000 excess cost from its own working capital or term loans.
- B. The "\$5,000,000 Rule" (Sec. 103,6D (i) & (ii)) provides limits for capital expenditures made by the operator over a six year period of time, namely, three years prior to an issue and three years after an issue. These limits apply to any location in the same unit of government; exceeding these limits would result in loss of the tax-exempt nature and maturation of all bonds; the resulting costs are large and immediate. As an example, let us assume that your plant, equipment and capitalized costs such as legal fees, architect's fees, interest on construction loans and underwriting expenses would result in a capital expenditure of \$4,800,000 in January of 1977 (the date of bond sales). If, in June of 1979, your production people recommend an improvement in your production line of \$201,000 your company would be faced with a refinancing cost and penalties of several hundred thousand dollars.
- C. The "Pollution Control Rule" (Sec. 103, 4, F) provides that air or water control facilities are exempt activities. Pragmatically speaking, this means that such issues are limited in dollar amounts only by what equipment and what facility "IRS" will accept as pollution control equipment and facilities. These designations by IRS are very technical and should be discussed with bond counsel.

cont.

*these steps will differ according to the type of issue, local circumstances, ability to lease and market conditions. Details of consideration will vary greatly according to type or project, local circumstances, financial standing, of leasees, types of lenders or bond holders, and money market conditions. Details will be issued by the LGC.

"Critical path planning" charts show that these steps can be accomplished in twelve weeks. Investment Bankers report that the timetable fits well within the process of "closing a bond issue". Overall, we expect 90 to 120 days to be a practical timing requirement for approval, placement and sale of a bond issue.

It is important to remember that the \$1,000,000 rule can sometimes be combined with the rule on "pollution control" so as to produce an issue which has market acceptance and which would be of major interest to a corporate treasurer. Again as an example, let us assume that your project is \$70,000,000 or \$80,000,000 facility. Pollution control expenditures might total some \$7,000,000. By using \$1,000,000 on bond proceeds for land, buildings or equipment and \$7,000,000 of proceeds for pollution control, the 2% savings on an \$8,000,000 issue could amount to be a matter of major financial consideration.

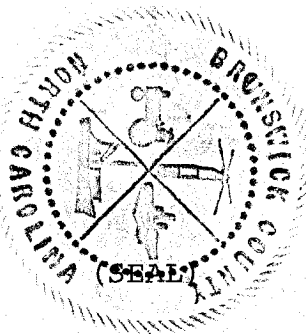
Commissioner Russ seconded the motion and motion passed unanimously.

* * * * *

I, Judy Holden, Clerk to the Board of Commissioners for the County of Brunswick, North Carolina, DO HEREBY CERTIFY that the foregoing is a true and complete copy of so much of the proceedings of the Board of Commissioners for said County at a meeting held October 18, 1976, as it relates in any way to the appointment of the Brunswick County Industrial Facilities and Pollution Control Financing Authority and proceedings are recorded in Minute Book No. 6 of the minutes of said Board, beginning at page 976 and ending at page 976.

WITNESS my hand and the common seal of said County, this 18th day of October, 1976.

Judy B. Holden
Clerk to the Board of Commissioners



THE BRUNSWICK COUNTY INDUSTRIAL FACILITIES
AND POLLUTION CONTROL FINANCING AUTHORITY

Organizational Meeting

The Board of Commissioners of The Brunswick County Industrial Facilities and Pollution Control Financing Authority (the "Authority") met for the purpose of organizing the Authority on November 3, 1976, at 6:00 o'clock P.M., at BRUNSWICK COUNTY COMMISSION CHAMBERS, Southport, North Carolina.

Present: Commissioners William A. Powell; John R. Hughes; Paul H. Ganey, Jr.; Floyd Kirby, Jr.; Robert D. Howard; J. B. Ward, Jr.; Albert E. Skipper.

Absent: None.

Also Present: Jackie H. Stephenson, Executive Director, Resources Development Commission for Brunswick County;
Regina M. McKeithan, Notary Public.

* * * * *

Judy Holden, Clerk to the Board of Commissioners for the County of Brunswick announced that The Brunswick County Industrial Facilities and Pollution Financing Authority had been created by resolution adopted by the Board of Commissioners for Brunswick County on September 7, 1976 and that the following persons have been appointed as members of the Board of Commissioners for the Authority, each of whom shall continue in office for the term expiring on the date set opposite his name or until his successor shall be duly appointed and qualified:

<u>Name</u>	<u>Address</u>	<u>Expiration of term of office</u>
<u>William A. Powell</u>	<u>Shallotte, NC</u>	<u>October 18</u> , 1978
<u>John R. Hughes</u>	<u>Shallotte, NC</u>	<u>October 18</u> , 1978
<u>Paul H. Ganey, Jr.</u>	<u>Leland, NC</u>	<u>October 18</u> , 1980
<u>Floyd Kirby, Jr.</u>	<u>Supply, NC</u>	<u>October 18</u> , 1980
<u>Robert D. Howard</u>	<u>Southport, NC</u>	<u>October 18</u> , 1982
<u>J. B. Ward, Jr.</u>	<u>Longwood, NC</u>	<u>October 18</u> , 1982
<u>Albert E. Skipper</u>	<u>Rt. 2, Box 445 Leland, NC</u>	<u>October 18</u> , 1982

REGINA M. McKEITHAN, NOTARY PUBLIC,

administered an oath of office to each of the foregoing members of the Board of Commissioners of the Authority that such member will execute the duties of his office faithfully and impartially. The Clerk announced that a record of each such oath was made for filing with the Board of Commissioners for the County of Brunswick and entering in its minutes.

The Clerk further announced that the meeting would proceed with the election of a Chairman, Vice Chairman, Treasurer, Secretary and Assistant Secretary, the adoption of bylaws for the regulation of the affairs and the conduct of the business of the Authority, and the disposition of such other matters as might properly be brought before the meeting.

Upon motion of Commissioner Ward, seconded by Commissioner Powell, Commissioner Hughes was nominated for the office of Chairman. There being no further nominations, the motion was put to a vote and was adopted by the following vote:

Ayes: Commissioners Powell, Hughes, Ganey, Kirby, Howard, Ward,
Skipper.

Noes: _____.

Not Voting: Commissioner _____.

Commissioner Hughes, Chairman, presided for the remainder of the meeting.

Upon motion of Commissioner Powell, seconded by Commissioner Skipper, Commissioner Howard was nominated for the office of Vice Chairman. There being no further nominations, the motion was put to a vote and was adopted by the following vote:

Ayes: Commissioners Powell, Hughes, Ganey, Kirby, Howard,
Ward, Skipper.

Noes: _____.

Not voting: Commissioner _____.

Upon motion of Commissioner Powell, seconded by Commissioner Ward, Commissioner Kirby was nominated for the office of Treasurer. There being no further nominations, the motion was put to a vote and was adopted by the following vote:

Ayes: Commissioners Powell, Hughes, Ganey, Kirby, Howard,
Ward, Skipper.

Noes: _____.

Not voting: Commissioner _____.

Upon motion of Commissioner Skipper, seconded by Commissioner Howard, Commissioner Powell was nominated for the office of Secretary. There being no further nominations, the motion was put to a vote and was adopted by the following vote:

Ayes: Commissioners Powell, Hughes, Ganey, Kirby, Howard,
Ward and Skipper.

Noes: _____.

Not voting: Commissioner _____.

Upon motion of Commissioner Powell, seconded by
Commissioner Skipper, Commissioner Ganey was
nominated for the office of Assistant Secretary. There
being no further nominations, the motion was put to a vote
and was adopted by the following vote:

Ayes: Commissioners Powell, Hughes, Ganey, Kirby, Howard, Ward
and Skipper.

Noes: _____.

Not voting: Commissioner _____.

The Chairman presented a draft of proposed bylaws for the
Authority which was read in full. Commissioner Powell
moved that the bylaws be adopted as read and incorporated in
the minutes of this meeting, which motion was seconded by
Commissioner Hughes. The motion was put to a vote and
was adopted by the following vote:

Ayes: Commissioners Powell, Hughes, Ganey, Kirby, Howard, Ward
and Skipper.

Noes: _____.

The bylaws as herein authorized and approved are attached
hereto as Exhibit A.

EXHIBIT A

BYLAWS OF

THE BRUNSWICK COUNTY INDUSTRIAL FACILITIES
AND POLLUTION CONTROL FINANCING AUTHORITY

ARTICLE I

OFFICES

1. The principal office of the Authority shall be in the City of Southport, North Carolina, at such particular place as shall be fixed from time to time by resolution of the Authority.

2. The permanent mailing address for purposes of all notices and correspondence is P O Box 638, Southport, NC 28461.

3. Except as otherwise required by resolution of the Authority, or as the business of the Authority may require, all of the books and records of the Authority shall be kept at the office to be designated as hereinabove provided.

ARTICLE II

MEETINGS OF THE AUTHORITY

1. Meetings of the Authority may be called by the Chairman, or in his absence from the State of North Carolina or incapacity, by the Vice Chairman, for such time and at such place in the State of North Carolina as may be specified in the call, upon twenty-four hours' written notice. Meetings of the Authority may be held at any time without notice, provided all members of the Authority are present or those not present have waived notice thereof. Such meetings may be held at such times and places as the notice thereof or waiver may specify. Any business of the Authority may be considered and acted upon at any such meeting.

2. At all meetings of the Authority the following order of business shall be observed, as far as consistent with the purpose of the meeting:

- i. Reading and approval of the minutes of the preceding meeting.
- ii. Reports of officers.

- iii. Reports of committees.
- iv. Unfinished business.
- v. New business.

3. The vote on the adoption of every resolution shall be by ayes and noes, and the names of the members voting for and against the resolution shall be entered upon the minutes of the meeting.

ARTICLE III

OFFICERS

1. The officers of the Authority shall be a Chairman, a Vice Chairman, a Treasurer, a Secretary and an Assistant Secretary. The Chairman, Vice Chairman, Treasurer, Secretary and Assistant Secretary shall hold such offices until November 3, 1977, of the following year and until the election of their successors.

2. The Chairman shall be the chief executive officer of the Authority and shall preside at all meetings of the Authority. Unless some other person is thereunto specifically authorized by vote of the Authority, the Chairman shall sign all contracts and other instruments to be executed on behalf of the Authority. He shall perform all the duties commonly incident to this office, and shall perform such other duties and have such other powers as the Authority may from time to time designate.

3. The Vice Chairman shall perform the duties and have the powers of the Chairman during the absence or incapacity of the Chairman. He shall then perform all the duties commonly incident to the office of Chairman, and shall perform such other duties and have such other powers as the Authority may from time to time designate.

4. Subject to the provisions of any trust agreement or resolution securing revenue bonds of the Authority, the Treasurer shall have the care and custody of the funds of the Authority and shall have and exercise, under the supervision of the Authority, all the powers and duties commonly incident to the office of treasurer.

5. The Secretary shall attend all meetings of the Authority and act as secretary or clerk thereof; he shall record all votes and keep accurate records of all proceedings at such meetings in a minute book to be kept for that purpose, which shall be open at all reasonable times to the inspection of any member. The Secretary shall cause notice to be given of all meetings of the Authority as required by law or by these Bylaws; he shall keep in safe custody the official seal to all papers authorized to be executed by the Authority requiring such seal to be affixed. He shall have authority to cause copies to be made of all minutes and other records and documents of the Authority and to give certificates under the official seal of the Authority to the effect that such copies are true copies, and all persons dealing with the Authority may rely upon such certificates.

He shall perform all the duties commonly incident to the office of secretary or clerk and shall perform such other duties and have such other powers as the Authority from time to time may designate.

6. The Assistant Secretary shall perform the duties and have the powers of the Secretary during the absence or incapacity of the Secretary. He shall then perform all the duties commonly incident to the office of Secretary, and shall perform such other duties and have such other powers as the Authority may from time to time designate.

7. In addition to the officers above-mentioned, the Authority may provide for such deputies, assistants and other officers as it may deem necessary from time to time, who shall perform such duties and have such powers as the Authority may designate.

8. All legal matters and proceedings for the Authority shall be conducted under the supervision and direction of the County Attorney for Brunswick County.

ARTICLE IV

OFFICIAL SEAL

The official seal of the Authority shall consist of the embossed impression of a circular metallic disc containing the words "THE BRUNSWICK COUNTY INDUSTRIAL FACILITIES AND POLLUTION CONTROL FINANCING AUTHORITY, N.C.", and the Secretary shall secure such seal and cause an impression thereof to be made on the margin of the minutes containing this Article.

ARTICLE V

NET EARNINGS

Any net earnings of the Authority (beyond that necessary for retirement of the revenue bonds of the Authority) may not inure to the benefit of any other person than the Authority.

ARTICLE VI

AMENDMENTS

Except as otherwise provided by law, these Bylaws may be amended, added to, altered or repealed in whole or in part by the Authority at any meeting of the Authority, provided that notice of the proposed amendment, addition, alteration or repeal is given in the notice of such meeting, or that all members of the Authority are present at such meeting.

Thereupon Commissioner Howard introduced
the following resolution which was read:

RESOLUTION DIRECTING PREPARATION OF
A NOTICE OF FORMATION

BE IT RESOLVED by the Board of Commissioners of The
Brunswick County Industrial Facilities and Pollution Control
Financing Authority that the Secretary of the Authority is
hereby directed to prepare a written notice of formation to
be submitted on behalf of the Authority to the Department of
Natural and Economic Resources of the State of North Carolina
and the Local Government Commission of North Carolina pursuant
to G.S. 159C-4(f) within 5 days from the date of this meeting.

Commissioner Howard moved the passage of the
foregoing resolution entitled: "RESOLUTION DIRECTING
PREPARATION OF A NOTICE OF FORMATION" and Commissioner
Skipper seconded the motion, and the resolution was
passed by the following vote:

Ayes: Commissioners Powell, Hughes, Ganey, Kirby, Howard, Ward
and Skipper.

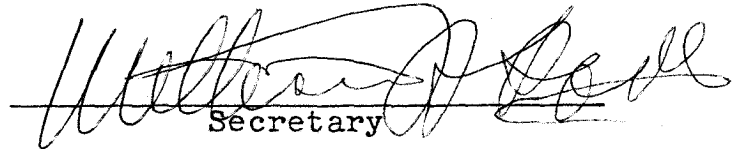
Noes: _____

* * * * *

I, William A. Powell, Secretary of the Board of
Commissioners of The Brunswick County Industrial Facilities
and Pollution Control Financing Authority DO HEREBY CERTIFY

that the foregoing is a true and complete copy of the proceedings of the Board of Commissioners of the Authority at a meeting held November 3, 1976, and that said proceedings are recorded in Minute Book No. I of the minutes of said Board, beginning at page 1 and ending at page 6.

WITNESS my hand and the official seal of the Authority this 3rd day of November, 1976.


Secretary
WILLIAM A. POWELL

[SEAL]



THE BRUNSWICK COUNTY INDUSTRIAL
FACILITIES AND POLLUTION CONTROL
FINANCING AUTHORITY

Certificate of Formation

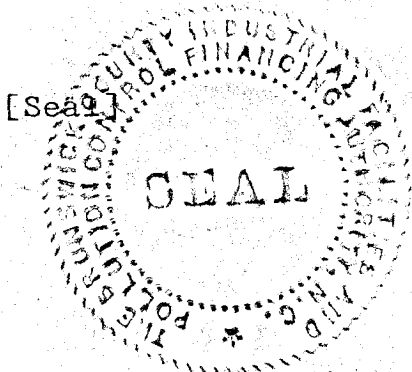
The undersigned Secretary of The Brunswick County Industrial Facilities and Pollution Control Financing Authority (the "Authority") DOES HEREBY CERTIFY pursuant to the provisions of G.S. 159C-4(f) that:

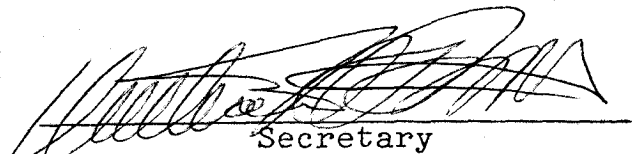
(a) The Authority has been duly and validly formed as authorized by resolution of the Board of Commissioners for the County of Brunswick, a certified copy of the minutes, showing the adoption and a list of the Commissioners of the Authority, is attached hereto as Exhibit 1;

(b) Attached hereto as Exhibit 2 is a certified copy of the minutes of the organizational meeting of the Authority, showing a list of the officers of the Authority; and

(c) Attached hereto as Exhibit 3 is a description of any and all projects under consideration by the Authority.

WITNESS my hand and the official seal of the Authority,
this 3rd day of November, 1976.




Secretary

WILLIAM A. POWELL